



NCCCSIA Webinar #2

Conducting the Error Rate Review Process using the Revised *Data Collection Instructions (DCI)*

NCCCSIA WEBINAR #2: CONDUCTING THE ERROR RATE REVIEW PROCESS USING THE REVISED DATA COLLECTION INSTRUCTIONS

- This is a training for States on using the 2012 revised **Data Collection Instructions (DCI)**. The webinar was first offered in June 2012 to Year 1 states when the DCI was undergoing the public comment period.
- This webinar will assist States when they initiate the planning process for their error rate reviews. Speakers will pause frequently so States may ask questions to encourage State discussion and comments.
- A copy of the PowerPoint presentation was emailed to all registrants before the webinar.
- The revised **Data Collection Instructions** is available for download on the Office of Child Care website:
https://www.acf.hhs.gov/sites/default/files/occ/dci_2012_508_compliant_v5.pdf

AGENDA

- **Improper Payment focus**
- **Calculating an improper payment error**
- ***State Improper Payments Report (ACF-404)***
- **Corrective Action Plan (ACF-405)**

AGENDA

This training session covers key changes with the revised Data Collection Instructions (DCI), including:

- Improper payment focus in conducting the record review process;
- The process for computing an improper payment error;
- The changes in the content of the State Improper Payments Report (ACF-404); and
- The introduction of the corrective action plan (ACF-405).

REASON FOR CHANGE TO PAYMENTS

- **Authorizations not accurate proxy for payments**
- **Authorizations 20 percent higher than actual payments**
- **Changes allow States to assess amount of eligibility error based on the actual payments**

REASON FOR CHANGE TO PAYMENTS

- For the first two review cycles, the CCDF error-rate methodology focused on improper authorizations for payments as a proxy for improper payments. States criticized the use of improper authorization amounts as inaccurate, as authorizations do not indicate whether an actual improper payment amount was paid.
- The OCC conducted an evaluation of the case-record review process to determine whether “improper authorization for payment” remained a suitable proxy for actual “improper payments.” Based on this pilot and the feedback from many States it was determined that, in some cases, authorizations for payment were as much as 20 percent higher than actual payments.
- Therefore, while the focus of the methodology remains an assessment of the accuracy of the subsidy amount determined by the worker, if the reviewer finds that there is an error in the worker’s subsidy amount, States measure the amount of the error based on the subsidy amount actually paid for the services received in the sample month.







IMPROPER AUTHORIZATION ERROR

ELEMENTS OF ELIGIBILITY & PAYMENT AUTHORIZATION (1)	ANALYSIS OF CASE RECORD (2)	FINDINGS (3)	RESULTS (4)	
SECTION IV. INCOME AND AUTHORIZATION				
410 AUTHORIZATION / COMPUTATIONS	Eligibility worker's sample month Authorization amount <u>\$225</u> Reviewer's Sample Month Authorization amount <u>\$225</u>	There are no errors in this case.	410 RESULTS	
Compute the difference between the amount authorized to be paid in a sample review month and the amount that should have been authorized. This difference is the error amount. Indicate if the error amount is an Overauthorization or Underauthorization.			1	No Error / Error
			2	Insufficient/ Missing Documentation
			3	Overauthorization Underauthorization
			4	Total Amount of Improper Authorization for Payment

RENEWAL RECORD REVIEW WORKSHEET ELEMENT 410

- States used the Renewal Record Review Worksheet (RRW) in the first two review cycles. The previous RRW required basic error coding and a single calculation of the overall improper authorization for payment (IAP) amount in the final element (Element 410).
- For this error calculation, the State reviewer would compare the amount authorized by the worker with the reviewer's amount. The difference between the worker's authorization amount and reviewer's authorization amount was the error amount, either an over or under authorization, entered in Element 410, Column 4, Item #4: Total Amount of Improper Authorization for Payment.

IMPROPER PAYMENT ERROR

ELEMENTS OF ELIGIBILITY & PAYMENT DETERMINATION (1)	ANALYSIS OF CASE RECORD (2)	FINDINGS (3)	RESULTS (4)		
410 PAYMENTS/ COMPUTATIONS			410 RESULTS		
<p>Compare the eligibility worker's subsidy amount with the reviewer's subsidy amount. If there is a difference, compare the reviewer's subsidy amount to the sample month payment amount.</p> <ul style="list-style-type: none"> If the sample month payment amount is greater, the difference is an overpayment. If the sample month payment amount is less, the difference is an underpayment. 			1.		No Error Error
			2.		Insufficient/ Missing Documentation
			3.		Underpayment Overpayment
			4.		Total Amount of Improper Payment
			5.		Total Payment Amount for Sample Month

COMPUTING AN IMPROPER PAYMENT ERROR

- In the new methodology, there is a change in the RRW (ACF-403) in the Element 410, Column 1 boilerplate language describing how to determine (1) if there is a payment error, and if so, (2) the amount of the payment error. The steps are:
 - The State reviewer compares the worker's subsidy amount to the reviewer's subsidy amount.
 - If there is a difference, the State reviewer compares the reviewer subsidy amount to the PAYMENT AMOUNT for the sample month.
 - If the PAYMENT AMOUNT IS GREATER the difference is an OVERpayment.
 - If the PAYMENT AMOUNT IS LESS the difference is an UNDERpayment.
- The reviewer enters the results of the review in Element 410, Column 4, as follows.
 - Item #1: if there is an error;
 - Item #2: if the error is due to Missing or Insufficient Documentation (MID)
 - Item #3: if it is an Over or Underpayment;
 - Item #4: the total amount of the Improper Payment; and
 - Item #5: the sample month payment amount.

HOW TO CALCULATE AN IP ERROR

- Overpayments (DCI p. 22)
- Underpayments (DCI p. 23)
- Case Errors with no Improper Payment (DCI p. 24)
- Underpayment errors that are partial month payment amounts (DCI pp. 33 and 47)

HOW TO CALCULATE THE IP ERROR AMOUNT

This Webinar Training Powerpoint includes several examples of how to calculate an improper payment error. The examples explain new steps reviewers will take using the new methodology.

The types of examples and page references in the Revised Data Collection Instructions (DCI), are:

- Overpayments (DCI p.22)
- Underpayments (DCI p.23)
- Case Errors with no Improper Payment (DCI p.24)
- What States can do with underpayment errors in cases where the sample month payment amount is a partial month payment amount (DCI p. 13).

KEY DEFINITIONS

- **Subsidy Amount**— The monthly amount the State will pay for the child’s subsidy and is frequently referred to as the certificate or voucher amount.
- **Sample Month Payment Amount**—The amount paid for services received in the sample month. The **Sample Month Payment Amount** may be equal to the **Subsidy Amount** (a full payment) or may be less (a partial payment) due to such things as attendance, center closures, school schedules, etc.

Glossary Pg. 33, Data Collection Instructions


KEY DEFINITIONS

Before covering the examples and the steps for computing an improper payment, we will review some key definitions and terms used in the new DCI. We define each of these terms in the DCI glossary.

- **Subsidy Amount**—The subsidy amount is the amount calculated based on criteria in effect for the sample month. This figure is the amount the State will pay for the child’s subsidy and is frequently referred to as the certificate or voucher amount. The reviewer’s first step is to determine whether the worker’s **Subsidy Amount** is correct. If the reviewer’s subsidy amount is different than that of the eligibility worker, then there is a potential error. The reviewer then compares their **Subsidy Amount** to the **Sample Month Payment Amount** to determine the amount of the error.
- **Sample Month Payment Amount** is the actual amount that was paid for the services received in the sample month. The **Sample Month Payment Amount** may be equal to the **Subsidy Amount** (a full payment) or may be less (a partial payment) due to such things as attendance, center closures, school schedules, etc.

The following examples of different error scenarios illustrate how the reviewer computes an improper payment error using the new methodology.



EXAMPLE 1: NO PAYMENT ERROR

ELEMENTS OF ELIGIBILITY & PAYMENT DETERMINATION (1)	ANALYSIS OF CASE RECORD (2)	FINDINGS (3)	RESULTS (4)		
410 PAYMENTS/ COMPUTATIONS Compare the eligibility worker's subsidy amount with the reviewer's subsidy amount. If <u>there is a difference</u> , compare the <u>reviewer's subsidy amount</u> to the <u>sample month payment amount</u> . <ul style="list-style-type: none"> If the <u>sample month payment amount</u> is greater, the difference is an overpayment. If the <u>sample month payment amount</u> is less, the difference is an underpayment. 	Worker's Subsidy Amount: \$225  Reviewer's Subsidy Amount: \$225 There is no difference in the subsidy amounts	The worker's subsidy amount was correct. There is no improper payment error in this case.	410 RESULTS		
			1.	O	No Error Error
			2.	NA	Insufficient/ Missing Documentation
			3.	NA	Underpayment Overpayment
			4.	\$0	Total Amount of Improper Payment
			5.	\$225	Total Payment Amount for Sample Month

EXAMPLE 1: NO IMPROPER PAYMENT ERROR

- **Step #1:** Compare the eligibility worker's subsidy amount with the reviewer's subsidy amount. The eligibility worker determined a subsidy amount of \$225 and the reviewer found a subsidy amount of \$225. In this case there is no difference between the two, so there is no IP error.
- **Step #2:** The reviewer completes the column 2 analysis and as there is no difference in the subsidy amounts the review would end there.
- **Step #3:** The reviewer would indicate in the column 3 review findings that either there were no IP errors, or if there were any other errors, i.e. administrative non-payment errors, e.g., missing State forms, incomplete or unsigned forms etc., in any element.
- **Step #4:** The Column 4 coding is as follows:
 - Item #1. 0 for no Errors in the case;
 - Item #2. NA for no MID errors;
 - Item #3. NA for no Under/Overpayment errors;
 - Item #4. \$0 Total Amount of IP;
 - Item #5. Total payment amount for the sample month is \$225.

EXAMPLE 2: OVERPAYMENT ERROR

ELEMENTS OF ELIGIBILITY & PAYMENT DETERMINATION (1)	ANALYSIS OF CASE RECORD (2)	FINDINGS (3)	RESULTS (4)															
410 PAYMENTS/ COMPUTATIONS	<div>Worker's Subsidy Amount: \$250</div> <div></div> <div>Reviewer's Subsidy Amount: \$200</div> <div></div> <div>Sample Month Payment Amount: \$250</div>	The reviewer's subsidy amount is \$200 while the sample month payment amount was \$250. The result is a \$50 overpayment.	410 RESULTS <table><tr><td>1.</td><td>1</td><td>No Error Error</td></tr><tr><td>2.</td><td>N</td><td>Insufficient/ Missing Documentation</td></tr><tr><td>3.</td><td>O</td><td>Underpayment Overpayment</td></tr><tr><td>4.</td><td></td><td>Total Amount of Improper Payment</td></tr><tr><td>5.</td><td></td><td>Total Payment Amount for Sample Month</td></tr></table>	1.	1	No Error Error	2.	N	Insufficient/ Missing Documentation	3.	O	Underpayment Overpayment	4.		Total Amount of Improper Payment	5.		Total Payment Amount for Sample Month
1.	1	No Error Error																
2.	N	Insufficient/ Missing Documentation																
3.	O	Underpayment Overpayment																
4.		Total Amount of Improper Payment																
5.		Total Payment Amount for Sample Month																
			<table><tr><td></td><td>\$50</td><td></td></tr><tr><td></td><td>\$250</td><td></td></tr></table>		\$50			\$250										
	\$50																	
	\$250																	

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EXAMPLE 2: OVERPAYMENT ERROR: IN THE SECOND EXAMPLE WE FOLLOW THE SAME ERROR DETERMINATION PROCESS

- **Step #1:** Compare the eligibility worker's subsidy amount with the reviewer's subsidy amount. The eligibility worker determined a subsidy amount of \$250 and the reviewer found a subsidy amount of \$200. In this case there is a difference between the two. The difference is a potential \$50 overpayment error as $\$250 - \$200 = \$50$. Under the previous methodology this would be an overauthorization error of \$50.
- **Step #2:** Since there is a difference, the reviewer compares his/her subsidy amount to the sample month payment amount, to determine the amount of the potential overpayment error. In this case the sample month payment amount is \$250 which is greater than the reviewer's subsidy amount of \$200 confirming that there is an overpayment error and the amount of the overpayment error is the difference between the reviewer's subsidy amount of \$200 and the sample month payment amount of \$250. So, $\$250 - \$200 = \$50$ is the amount of the overpayment error in this case.
- **Step #3:** The column 3 summary describes the overpayment error amount (\$50) and would include the cause of the error (in this example it is worker income computations).
- **Step #4:** The Column 4 coding would be as follows:
 - Item #1. 1 Error in the case;
 - Item #2. N for no MID errors;
 - Item #3. O for Under/Overpayment;
 - Item #4. \$50 Total Amount of IP;
 - Item #5. \$250 Total payment amount for the sample month.



EXAMPLE 3: OVERPAYMENT ERROR

ELEMENTS OF ELIGIBILITY & PAYMENT DETERMINATION (1)	ANALYSIS OF CASE RECORD (2)	FINDINGS (3)	RESULTS (4)		
410 PAYMENTS/ COMPUTATIONS			410 RESULTS		
Compare the eligibility worker's subsidy amount with the reviewer's subsidy amount. If there is a difference, compare the <u>reviewer's subsidy amount</u> to the <u>sample month payment amount</u> .	Worker's subsidy amount: <u>\$400</u>	The reviewer's subsidy amount is \$200 while the sample month payment amount was \$275. The result is a \$75 overpayment.	1.	1	No Error
<ul style="list-style-type: none"> If the <u>sample month payment amount</u> is greater, the difference is an overpayment. If the <u>sample month payment amount</u> is less, the difference is an underpayment. 	Reviewer's subsidy amount: <u>\$200</u>		2.	N	Insufficient/ Missing Documentation
			3.	O	Underpayment Overpayment
			4.		
			5.		
	Sample Month Payment Amount: <u>\$275</u>			\$75	Total Amount of Improper Payment
				\$275	Total Payment Amount for Sample Month

EXAMPLE 3: OVERPAYMENT ERROR: IN THE THIRD EXAMPLE WE FOLLOW THE SAME ERROR DETERMINATION PROCESS

- Step #1:** The eligibility worker determined a subsidy amount of \$400 and the reviewer found a subsidy amount of \$200. The difference between the two amounts is a potential \$200 overpayment error: as $\$400 - \$200 = \$200$. Under the previous methodology this would be an overauthorization error of \$200.
- Step #2:** Since there is a difference, the reviewer compares his/her subsidy amount to the sample month payment amount, to determine the amount of the potential overpayment error based on what was actually paid. In this case the sample month payment amount is \$275 which is greater than the reviewer's subsidy amount of \$200. There is an error and the amount of the overpayment error is the difference between the reviewer's subsidy amount of \$200 and the subsidy amount paid of \$275. So, $\$275 - \$200 = \$75$ is the amount of the overpayment error in this case. Under the previous methodology this would have been a \$200 overauthorization, but under the new methodology the State is only charged the overpayment amount actually paid that is greater than the reviewer's subsidy amount.
- Step #3:** The column 3 summary describes the overpayment error amount (\$75) and would include the cause of the error (in this example it is worker income computations).
- Step #4:** The Column 4 coding would be as follows:
 - Item #1. 1 Error in the case;
 - Item #2. N for MID errors;
 - Item #3. O for Under/Overpayment;
 - Item #4. \$75 Total Amount of IP;
 - Item #5. \$275 Total payment amount for the sample month.

EXAMPLE 4: CASE ERROR - NO IMPROPER PAYMENT



ELEMENTS OF ELIGIBILITY & PAYMENT DETERMINATION (1)	ANALYSIS OF CASE RECORD (2)	FINDINGS (3)	RESULTS (4)															
410 PAYMENTS/ COMPUTATIONS	<div>Worker's Subsidy Amount: \$275</div> <div></div> <div>Reviewer's subsidy amount: \$250</div> <div></div> <div>Sample Month Payment Amount: \$200</div>	The reviewer's subsidy amount is \$250 while the sample month payment amount was \$200. There is no improper payment as the sample month payment was less than the reviewer's amount.	410 RESULTS															
<p>Compare the eligibility worker's subsidy amount with the reviewer's subsidy amount. If there is a difference, compare the <u>reviewer's subsidy amount</u> to the <u>sample month payment amount</u>.</p> <ul style="list-style-type: none">If the <u>sample month payment amount</u> is greater, the difference is an overpayment.If the <u>sample month payment amount</u> is less, the difference is an underpayment.			<table><tr><td>1.</td><td>1</td><td>No Error Error</td></tr><tr><td>2.</td><td>N</td><td>Insufficient/ Missing Documentation</td></tr><tr><td>3.</td><td>NA</td><td>Underpayment Overpayment</td></tr><tr><td>4.</td><td>\$0</td><td>Total Amount of Improper Payment</td></tr><tr><td>5.</td><td>\$200</td><td>Total Payment Amount for Sample Month</td></tr></table>	1.	1	No Error Error	2.	N	Insufficient/ Missing Documentation	3.	NA	Underpayment Overpayment	4.	\$0	Total Amount of Improper Payment	5.	\$200	Total Payment Amount for Sample Month
	1.	1	No Error Error															
	2.	N	Insufficient/ Missing Documentation															
	3.	NA	Underpayment Overpayment															
	4.	\$0	Total Amount of Improper Payment															
5.	\$200	Total Payment Amount for Sample Month																

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EXAMPLE 4: CASE ERROR NO IMPROPER PAYMENT

- **Step #1:** The eligibility worker determined a subsidy amount of \$275 and the reviewer found a subsidy amount of \$250. In this case there is a difference between the two, the difference is a potential \$25 overpayment error: as $\$275 - \$250 = \$25$. Under the previous methodology this would be an overauthorization error of \$25.
- **Step #2:** Since there is a difference, the reviewer compares his/her subsidy amount to the sample month payment amount, to determine the amount of the potential overpayment error based on what was actually paid. In this case the sample month payment amount is \$200 which is less than the reviewer's subsidy amount of \$250 confirming that while there is an error in this case there is no improper payment amount.
- **Step #3:** Column 3 findings indicate that while there was an error in the case there was no improper payment amount. Because the subsidy amount paid is less than the reviewer amount, there is an error but it resulted in no improper payment amount.
- **Step #4:** The Column 4 coding would be as follows:
 - Item #1. 1 Error in the case;
 - Item #2. N for MID errors;
 - Item #3. NA for Under/Overpayment;
 - Item #4. \$0 Total Amount of IP;
 - Item #5. \$200 Total payment amount for the sample month.

EXAMPLE 5: UNDERPAYMENT ERROR

ELEMENTS OF ELIGIBILITY & PAYMENT DETERMINATION (1)	ANALYSIS OF CASE RECORD (2)	FINDINGS (3)	RESULTS (4)		
410 PAYMENTS/ COMPUTATIONS	<div>Worker's Subsidy Amount: <u>\$150</u></div> <div></div> <div>Reviewer's subsidy amount : <u>\$175</u></div> <div></div> <div>Sample Month Payment Amount: <u>\$150</u></div>	The reviewer's subsidy amount is \$175 while the sample month payment amount was \$150. The result is a \$25 underpayment.	410 RESULTS		
<p>Compare the eligibility worker's subsidy amount with the reviewer's subsidy amount. If there is a difference, compare the <u>reviewer's subsidy amount</u> to the <u>sample month payment amount</u>.</p> <ul style="list-style-type: none">If the <u>sample month payment amount</u> is greater, the difference is an overpayment.If the <u>sample month payment amount</u> is less, the difference is an underpayment.	1.		1	No Error Error	
	2.		N	Insufficient/ Missing Documentation	
	3.		U	Underpayment Overpayment	
	4.		\$25	Total Amount of Improper Payment	
5.	\$150	Total Payment Amount for Sample Month			



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EXAMPLE 5: UNDERPAYMENT ERROR

- **Step #1:** The eligibility worker determined a subsidy amount of \$150 and the reviewer found a subsidy amount of \$175. In this case there is a difference between the two, the difference is a potential \$25 underpayment error: as $\$175 - \$150 = \$25$. Under the previous methodology this would be an underauthorization error of \$25.
- **Step #2:** Since there is a difference, the reviewer compares his/her subsidy amount to the sample month payment amount, to determine the amount of the potential underpayment error based on what was actually paid. In this case the sample month payment amount is \$150 which is less than the reviewer's subsidy amount of \$175 confirming that there is an underpayment error. The difference is $\$175 - \$150 = \$25$ the amount of the underpayment error. Under the previous methodology this also would've been a \$25 underauthorization.
- **Step #3:** The Column 3 findings would indicate that there was a \$25 underpayment error in the case.
- **Step #4:** The Column 4 coding would be as follows:
 - Item #1. 1 Error in the case;
 - Item #2. N for MID errors;
 - Item #3. U for Under/Overpayment error;
 - Item #4. \$25 Total Amount of IP;
 - Item #5. \$150 Total payment amount for the sample month.

EXAMPLE 6: PARTIAL MONTH PAYMENT UNDERPAYMENTS

EXAMPLE 6: PARTIAL MONTH PAYMENT UNDERPAYMENTS

ELEMENTS OF ELIGIBILITY & PAYMENT DETERMINATION (1)	ANALYSIS OF CASE RECORD (2)	FINDINGS (3)	RESULTS (4)		
410 PAYMENTS/ COMPUTATIONS	<p>Worker's Subsidy Amount: <u>\$300</u></p>  <p>Reviewer's Subsidy Amount: <u>\$400</u></p>  <p>Sample Month Payment Amount: <u>\$150</u></p>	The reviewer's subsidy amount was \$400 while the sample month payment amount was \$150.	410 RESULTS		
<p>Compare the eligibility worker's subsidy amount with the reviewer's subsidy amount. If there is a difference, compare the <u>reviewer's subsidy amount</u> to the <u>sample month payment amount</u>.</p> <ul style="list-style-type: none"> ○ If the <u>sample month payment amount</u> is greater, the difference is an overpayment. ○ If the <u>sample month payment amount</u> is less, the difference is an underpayment. 			1.	1	No Error Error
			2.	N	Insufficient/ Missing Documentation
			3.	U	Underpayment Overpayment
			4.	As sample month payment was a partial month payment contact the RO to receive approval of a prorated amount	Total Amount of Improper Payment
			5.	\$150	Total Payment Amount for Sample Month

EXAMPLE 6: UNDERPAYMENT ERROR

- Step #1:** The eligibility worker determined a subsidy amount of \$300 and the reviewer found a subsidy amount of \$400. In this case there is a difference between the two, the difference is a potential \$100 underpayment error: as $\$400 - \$300 = \$100$. Under the previous methodology this would be an underauthorization error of \$100.
- Step #2:** Since there is a difference the reviewer compares his/her subsidy amount to the sample month payment amount to determine the amount of the potential underpayment error based on what was actually paid. In this case the sample month payment amount is \$150 which is less than the reviewer's subsidy amount of \$400 confirming that there is an potential underpayment error.
- This is an example of an potential underpayment error where the subsidy payment amount was a **partial month payment** as the eligibility worker authorized \$300 (voucher amount or subsidy amount to be paid in a given month) and only \$150 was paid. In these situations where there is an potential underpayment and a partial sample month payment the OCC allows States to adjust the amount of the underpayment error. **Not all underpayments are necessarily due to errors with eligibility determinations. If the underpayment is due to State or local policies, the State may adjust the amount of the underpayment after consultation with the ACF Child Care Program Manager in the RO.** (Glossary definition of an underpayment)

ACF-404 PART II - ERROR MEASURES REPORTING

- Number of cases sampled
- **Total number of cases with an error**
- Percentage of cases with an error
- Total number of cases with an improper payment
- Percentage of cases with an improper payment
- Total number of cases with an improper payment due to missing or insufficient documentation
- **Percentage of cases with an improper payment due to missing or insufficient documentation**
- Total amount of payments for the sampled cases
- Total amount of improper payments for review period (gross amount of underpayments and overpayments)
- Total amount of underpayments for review period
- Total amount of overpayments for review period
- Percentage of the total amount of payments for the sampled cases that are improper payments
- Average amount of improper payments
- Estimated annual amount of improper payments

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ACF-404 PART II - ERROR MEASURES REPORTING

- There are a number of changes in Part II of the final report (ACF-404):
 - The first set of changes deal with the wording of the data elements to make the change from authorizations to payments; and
 - There are several changes in the order or sequence of the data points;
- The final change in Part II, are two additional data points, those with the RED font; one is providing the number of sampled cases that had an error and the second is providing the percentage of cases that had an improper payment error due to missing or insufficient documentation (MID).



ACF-404 PART III QUESTION 18B

**What is the amount of improper
payments the State recovered as a result
of the previous review?**

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ACF-404 PART III Question 18 B

- In Part II Item 4B of a State's previous final report is the figure of the total amount of improper authorizations identified during the its last review cycle. In Part III Item #15B the State provides an estimate of the amount of IPs it expects to recover.
- In the new methodology, States are required to estimate the amount of IPs they expect to recover in the review cycle (18A) , they are also expected to report on how much they actually collected. In Question #18 B of the revised final report the State will provide the figure of the collections that actually occurred.

CORRECTIVE ACTION PLAN (ACF-405)

A Lead Agency with an error rate that exceeds 10 percent must submit:

- A corrective action plan within 60 days of the June 30 submission of the *State Improper Payments Report* (ACF-404)
- Subsequent reports describing progress in implementing the plan

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CORRECTIVE ACTION PLAN (ACF-405)

- Any Lead Agency with an error rate that exceeds 10 percent must submit a comprehensive corrective action plan (CAP) to the HHS Assistant Secretary for approval, as well as subsequent reports describing progress in implementing the plan. The initial corrective action plan must be submitted within 60 days of the deadline for the final report (ACF-404).
- Subsequent progress reports deadlines will be identified in cooperation between the State, ACF Regional Office and OCC. CAPs will be reviewed and approved individually, with the required subsequent reports being determined at that time.

CORRECTIVE ACTION PLAN (ACF-405)

- The corrective action plan must include:
 - Current error rate (Percentage of IP)
 - Identification of a senior accountable official
 - Actions and milestones to be undertaken to reduce improper payments with names of those responsible
 - Timeline for completion of each action
 - Timeline for reducing the error rate below 10 percent
 - Targets for future improper payments

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CORRECTIVE ACTION PLAN (ACF-405)

- The specific contents of the CAP are:
 - The error rate reported in the last ACF-404 report;
 - The name and title of the person submitting the CAP and responsible for its completion;
 - The actions that will be taken and the projected date upon which the action will be implemented;
 - The timelines for each action and the timeline for bringing the error rate below 10%; and
 - The target for future Percentage of IPs

CORRECTIVE ACTION PLAN (ACF-405)

- Progress reports must be submitted as requested by the Assistant Secretary
- Failure to carry out actions described in the approved corrective action plan will be grounds for a penalty or sanction under § 98.92

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CORRECTIVE ACTION PLAN (ACF-405)

- Subsequent progress report deadlines will be identified in cooperation between the State, ACF Regional Office and OCC.



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To view the archived recording of this presentation, visit:

<https://www1.gotomeeting.com/register/413213169>

The recording will be available until May 12, 2014.